

2002
ANNUAL REPORT
CONSUMER SERVICES
DIVISION



Illinois Commerce
Commission

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CONSUMER SERVICES DIVISION
2002

ILLINOIS COMMERCE COMMISSION

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A Message from the Director

The Consumer Services Division's (CSD) report provides highlights of Staff's service to consumers.

Our automated call distribution system connects callers to the member of our Staff best able to address the caller's issue, and expands our ability to serve consumers through recorded information about a number of utility topics. Recorded information is available to callers 24 hours a day, 7 days a week with the option to record a request that information be mailed to them about several of the topics. In 2002, approximately 175,000 consumers chose to use our voice response unit to access information. The CSD Staff is available from 8:30 a.m. to 5 p.m., Monday through Friday.

In 2002, our staff answered more than 54,000 calls. Another 3,648 consumers contacted us through other sources such as email and by letter. Staff successfully worked with utilities to provide \$2.5 million to customers in savings or avoided charges. Customers have benefited greatly from the intervention of Staff and cooperation of utilities.

This report reviews utility performance in responding to their customers' concerns as presented to CSD staff. It includes such information as a breakdown of the types of inquiries/complaints that were received and how they were resolved; approaches to resolving inquiries and complaints, resolution time and problems identified by investigating consumer complaints.

In addition to the number of customers served along with the amount of money saved for customers, we include information about the participation of Staff in consumer education efforts, rulemakings, certification case, informal investigations into industry practices, and formal cases before the Commission. Increased CSD participation in Agency rulemaking has been necessary to represent consumers' interest in a broad range of issues. CSD has led 6 rulemakings this past year as necessitated by changes in the law, FCC regulations, and needs to meet beneficial consumer interests.

As competition expands, high profile unresolved issues between utilities emerge. This has led to CSD involvement in complaint cases to represent the consumer point of view.

I hope this report will serve as a guide to understanding the utilities' performance, consumers' concerns and the ways in which the ICC's Consumer Services Division addresses these important matters.

Debi Barr-Holquist
Director

CONSUMER EDUCATION/COMPLAINT ACTIVITY

The Commission's Consumer Services Division (CSD) is the agency's principle contact with the utility consumers in the state, CSD is uniquely positioned to provide important information to the Commission. Our Staff consists of management; administrative support; consumer counselors, whose primary responsibility is to interface with consumers; and members involved in consumer programs, which includes consumer education, development of rules, carrier/supplier certification, and compliance issues.

CSD has continuing dialogs with consumers and utilities/service providers, allowing us to provide useful information to other divisions within the Commission and to the Commissioners concerning issues that develop. On an informal basis, CSD contacts regulated utilities when issues of compliance and potential problems are raised by trends identified through consumer contacts.

ADDRESSING COMPLAINTS

The role of Consumer Services as educator has increased as various components of the regulated utility industry have changed, particularly as competition develops. CSD responds to consumer questions about regulations, services, and products. Program Staff and Consumer Counselors reference laws, Commission orders, company tariffs, new services and products, marketing and consumer reactions on regulatory issues. CSD has the important responsibility of helping consumers understand choices.

In addition to education, a primary responsibility of CSD is to provide assistance to consumers in the resolution of informal complaints and disputes with regulated utilities and other entities. Informal complaints, as the designation implies, are those handled by Staff, not formally considered by the Commission, and which do not result in an order by the Commission. The formal complaint process, which requires action, is available when complaints cannot be satisfactorily resolved through Staff intervention.

Following is a description of methods used by counselors in addressing complaints and inquiries.

3-Way Calling

This is a process which permits a direct interface with the company while the consumer is still on the phone. Certain problems and requests for assistance are well suited to this type of resolution. These include requests for payment arrangements, payment extensions, final notice prior to disconnection, repairs, medical certificates, and billing issues that can be resolved during the initial contact. This method increases efficiency and, in most cases, results in a high degree of customer satisfaction. In 2002, more than 8,200 complaints were handled in this manner.

Investigative Complaints

Using this method, counselors notify the company of an informal complaint filed by the customer. The company must investigate the complaint and typically contacts the customer during the investigation. The company is required to furnish a report of the outcome along with supporting documentation. The counselor reviews the report to ensure that the company's action complies with Commission rules. CSD Staff may call on other divisions to provide answers to technical questions, getting advice from engineers, economists, and financial experts. After the review, the counselor contacts the customer with an explanation of the results.

Consumer Services Online

Through its e-mail address, CSD receives contacts from consumers concerned with a wide variety of non-emergency issues. Site instructions advise consumers with a service related emergency to contact CSD by telephone. Electronic access to CSD provides a useful alternative to traditional mail and the toll free telephone hotline. Our records indicate that 1665 complaints were received by e-mail during 2002.

Company vs. Company

CSD has procedures to facilitate resolution of complaints between companies that are competitors. The changing environment in the utility industry and the advent of competition have signaled the need for a venue in which no-fault compromises can be achieved, benefiting both the parties involved in the dispute and the consumers they serve. Experience confirms that all parties benefit when a complaint can be resolved informally, avoiding the need for a formal complaint.

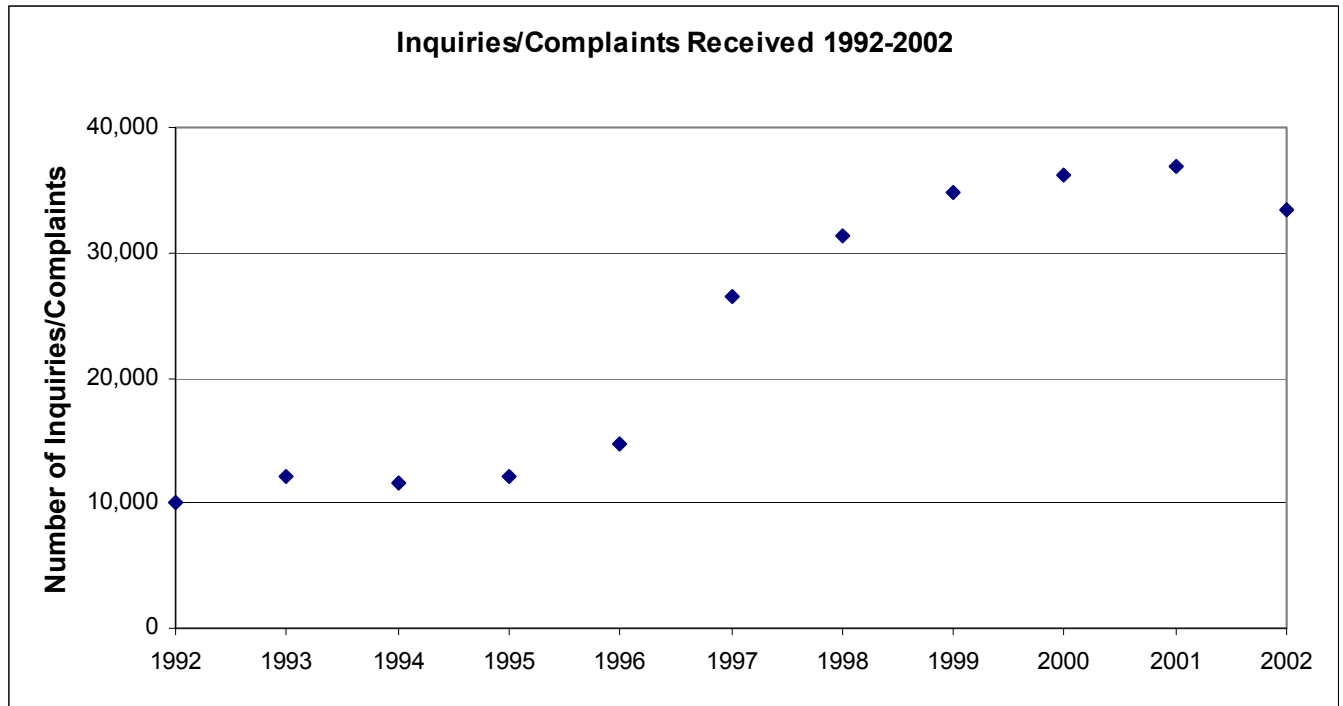
DISTRIBUTING CALLS, RECORDING, AND TRACKING DATA

The Consumer Services Division uses an Automated Call Distribution system (ACD) to connect callers to the member of our Staff best able to address the caller's issue, and offer options to callers. Callers can access recorded informational messages 24 hours a day, 7 days a week; those who want to speak to a counselor are informed of the average wait time; callers can leave a voice message asking for a return call or order printed informational material. Statistics including the number of callers waiting and how long callers have waited are available to counselors. Monitoring, tracking and reporting capabilities help management determine appropriate levels of staffing, facilitate scheduling, assist in training counselors and identifying the needs of consumers.

The ACD works with Consumer Services' Automated Complaint Tracking System (ACTS), a computerized complaint tracking system that provides an accurate and readily available record of consumer contacts. Using the ACTS, complaints are identified in such general categories as billing, credit and deposits, rates, service and termination; they are also identified in very specific terms. Our reporting capabilities allow flexibility in searching the records created in individual cases and compiling data. Reporting functions allow us to track information, identify problems, and analyze trends.

INFORMAL INQUIRY/COMPLAINT DATA

Counselors record informal inquiries, complaints, and opinions from consumers. Consumer education inquiries are typically answered during the initial contact. Customer opinions are also recorded during the initial contact. Based upon the nature of the problem, the counselor determines if there is a need for investigation requiring contact with the company.

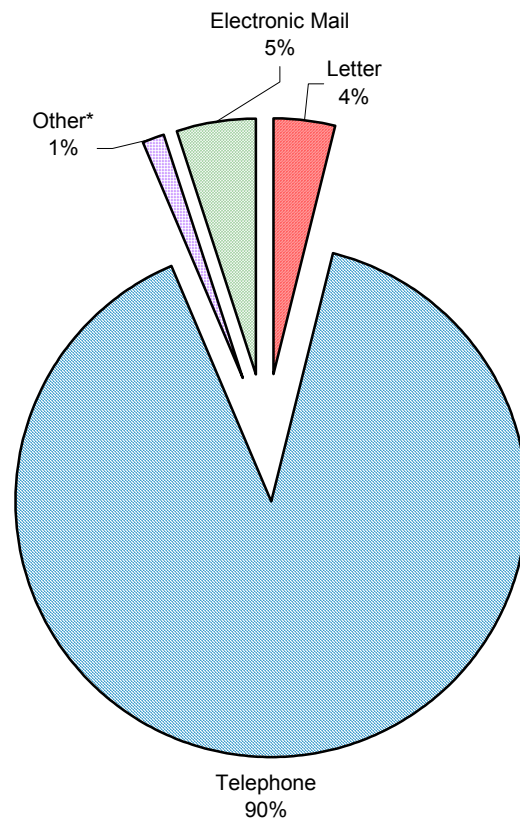


During 2002, CSD Staff recorded 33,381 contacts. The graph depicts the number of inquiries and complaints received from 1992 through 2002. The service provided by CSD is in demand as evidenced by the volume resulting from the consumers' need for information and assistance. The decrease in the number of inquiries and complaints for 2002 was due in large part to callers taking advantage of recorded messages available 24 hours a day, 7 days a week via CSD's 800 number. These informational messages cover a wide range of topics.

TELEPHONE SUMMARY

Total Calls: 230,111
Calls to IVR: 175,892
Calls Answered: 51,319
Number of Complaints/Inquiries: 33,381

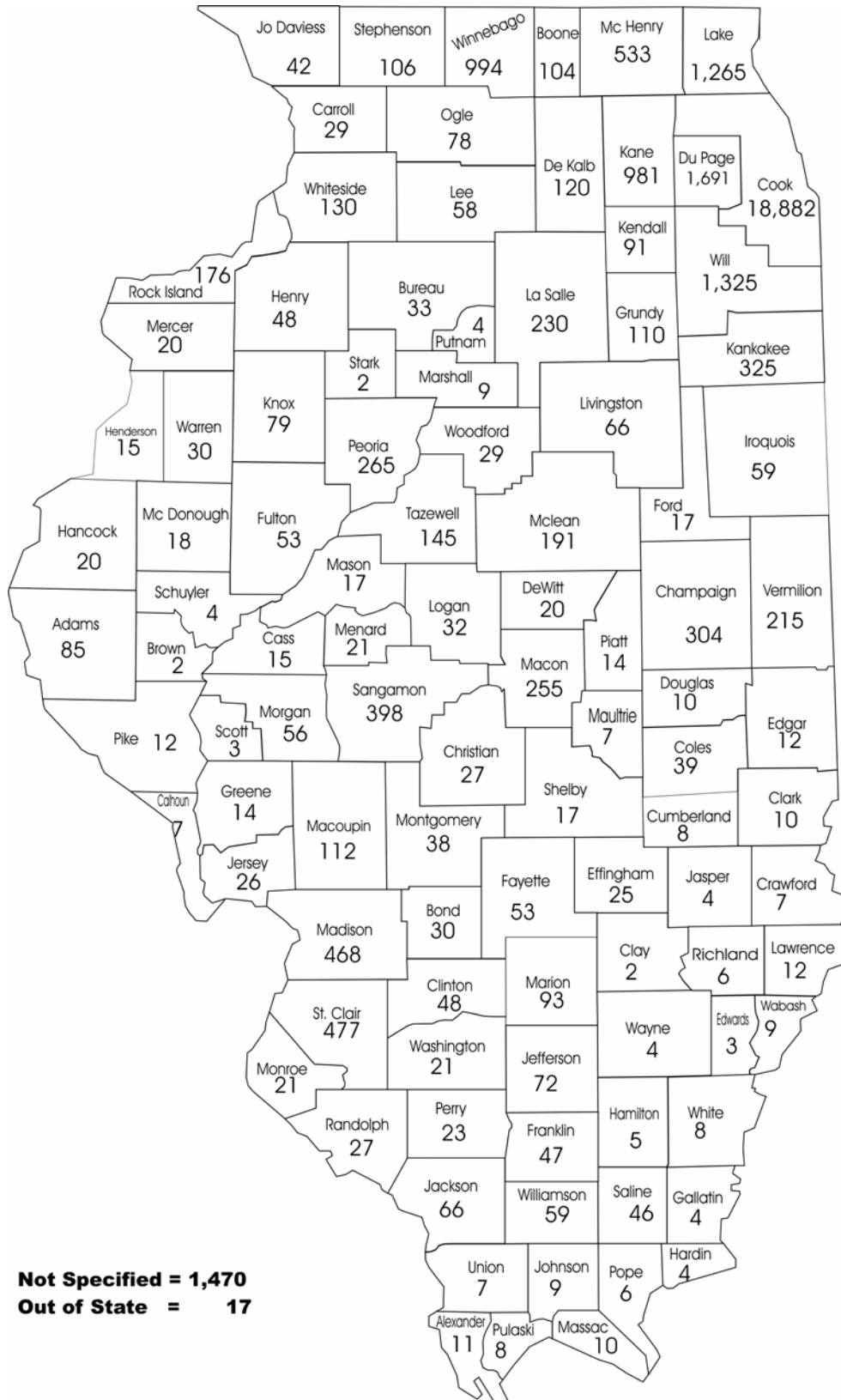
Origin of Inquiries/Complaints



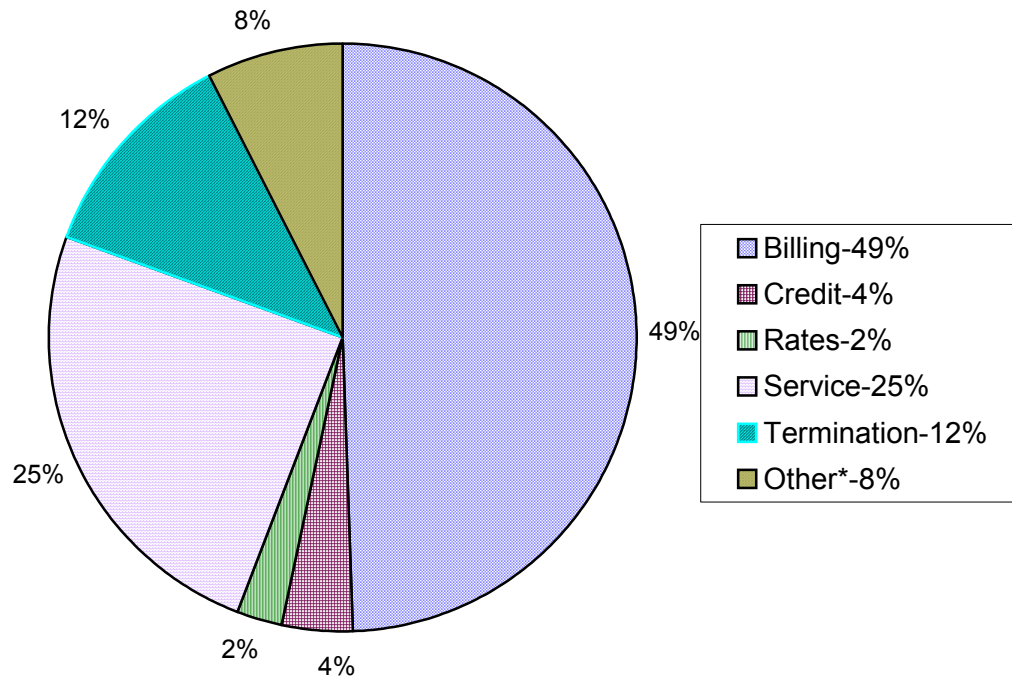
*Contacts include those made via fax and teletypewriter.

Most of the 33,381 cases recorded (90%) began with a telephone call to our toll-free number.

NUMBER OF CONTACTS BY COUNTY



PROBLEM IDENTIFICATION



***Includes issue-oriented contacts**

The graph above represents the total number of inquiries/complaints that were opened during 2002, categorized by problem type. These categories include billing, credit/deposit, rates, service, termination, and other. This graph illustrates that 49% of the inquiries/complaints opened related to the consumer's bill. CSD opened significantly fewer inquiries or complaints in the other categories.

TOP 10 INQUIRIES/COMPLAINTS

REASON FOR CONTACT	NUMBER
Need payment arrangements	3,454
Accuracy of bill- responsibility for account	2,889
Seeking reconnection	2,839
Timeliness of performed service- reconnection/disconnection	1,824
Accuracy of bill- usage/consumption	1,724
Accuracy of bill- disputes rate class/plan	1,203
Other payment agreements	1,100
Timeliness of performed service- installation of new service/transfer	1,040
Timeliness of performed service- scheduling or repair	927
Deferred payment agreement	816

Complaints and inquiries are categorized by these general problem types: billing, credit/deposit, rates, service, termination and other. At the time of closing, more specific codes are added. The Top 10 Inquiries/Complaints are listed in descending order beginning with the most frequently recorded issue. Charts showing the “Top 10” complaints by industry type can be found in the Energy section and Telecommunications section of this report.

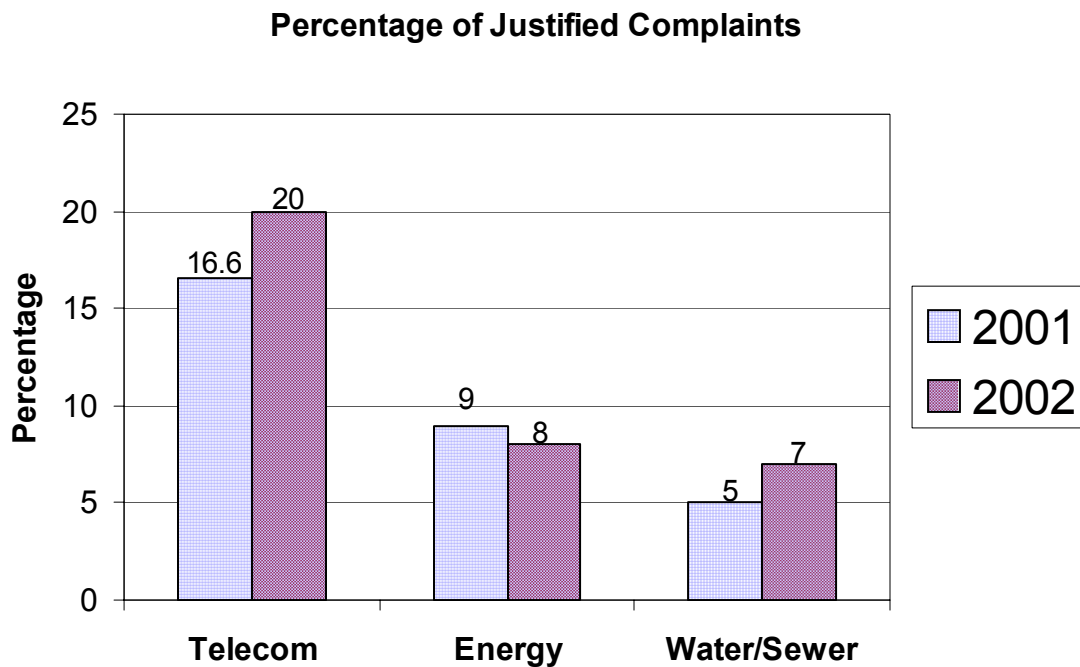
MEANS OF RESOLVING INQUIRIES/COMPLAINTS

RESOLUTION CODE	NUMBER
Information or explanation provided	23,809
Company agrees to correct mistake or error	3,384
Company compromised to settle	3,258
Customer did not pursue	616
Referral to other agency or division	535
ICC had no jurisdiction	472
Duplicate action by another counselor	248
Action initiated to correct problem	232
Complaint dismissed; groundless	217
Miscellaneous (resolution by means not on list)	197
Company unresponsive	138
CSD received carbon copy response	123
Meter tested; billing correct	84
Customer withdraws complaint	66
Formal hearing sought	57
Mediation	53
Pending long term utility action	34
Issue beyond time limit for complaint filing	26
Repeated complaint	5
Company does not have a certificate	1
Total	33,555

During the calendar year 2002, CSD closed 33,555 inquiries/complaints. Although most of these cases were opened and closed during 2002, some were opened in 2001. After utilities research and reply to investigative complaints, CSD must review the response and contact the consumer with the outcome. This explains why investigative complaints opened late in the year are often closed during the following year. The table above shows the number of cases closed in 2002 by resolution category. Staff successfully worked with utilities to provide nearly \$2.5 million to customers in savings or avoided charges.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. Cases that are evaluated are those in which contact with the company is initiated and include 3-way and investigative cases. The graph below compares justified complaints to the total number of 3-way and investigative cases. The comparison is made by industry type and by year.



MEDIATION

By law mediation is available to consumer to resolve telecommunications disputes. Effective July 1, 2001, residential consumers or business consumers with fewer than 20 lines have the right to request mediation when they have been unable to reach resolution through the informal complaint process. Telecommunication carriers are required to participate in mediation. The process must be completed within 45 days. If the parties are unable to reach agreement or after 45 days, whichever comes first, the consumer may file a formal complaint with the Commission. In 53 cases, consumers expressed an interest in pursuing their complaints through mediation; Staff notified the Commission's Chief Clerk to send a letter informing the customer how to proceed.

FORMAL COMPLAINTS

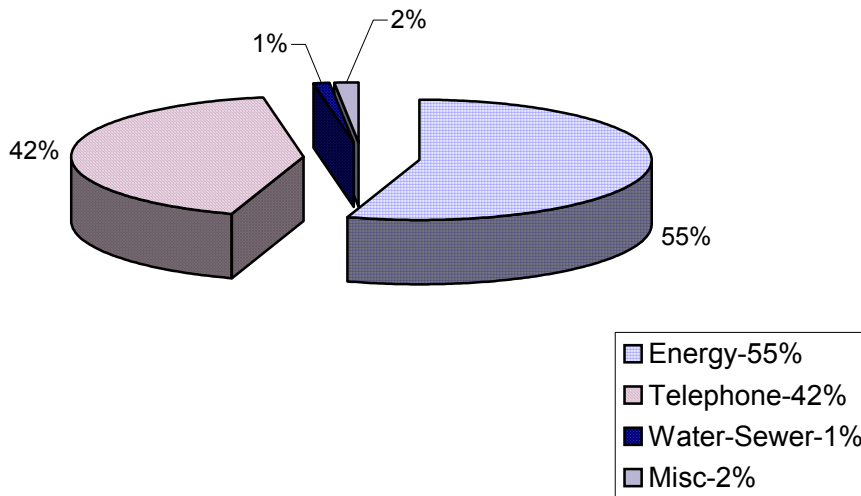
If a resolution is not reached through the informal process (including mediation), the consumer may file for a formal hearing. After the fully completed and notarized forms are submitted to the Commission, a hearing is scheduled. An Administrative Law Judge presides over the case, which is similar to a court proceeding, considers testimony presented, reviews evidence, and makes a recommendation to the Commission which renders a decision.

The Consumer Services Division makes every effort to achieve resolution of disputes between customers and utilities in the informal process. Of the 33,555 contacts from consumers closed during 2002, 147 customers requested formal complaint forms and 57 formal hearings were actually docketed. Of the docketed cases, 38 were dismissed by the Commission; 19 formal complaint cases from 2002 are still pending.

REVIEW OF INQUIRIES/COMPLAINTS DATA

This section addresses and highlights trends in the numbers and types of inquiries and complaints for each industry. CSD categorizes the inquiries/complaints it receives according to the following industries: telephone, energy, water/sewer and miscellaneous.

2002 Inquiries/Complaints by Utility Type

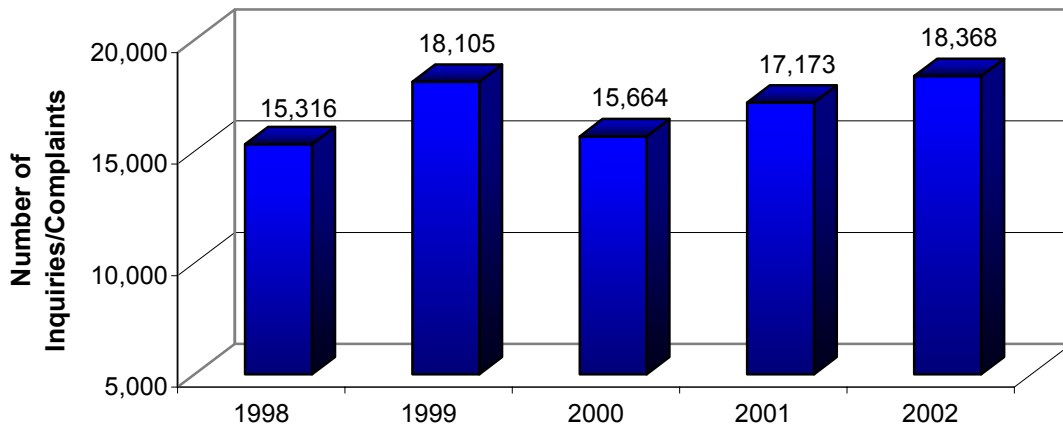


Combining gas and electric cases results in 55% of the total inquiries/complaints attributed to the energy industry. Telephone inquiries/complaints comprise 42% of the total number received during 2002. The miscellaneous category includes companies that were not specified and contacts that included more than one type of utility. The water and sewer industry accounts for 1% of the inquiries/complaints. The total number of contacts did not appreciably change compared to last year, however, the percentage of energy complaints increased from 47% to 55% and there was a corresponding decline in telecommunications contacts from 51% to 42%. The increase in energy complaints was the result of calls about natural gas service. This increase was mostly related to customers with questions about rates, the amount of the bill, the accuracy of meter readings, and the need for either payment arrangements on the bill or service reconnection. The decline in the number of telephone complaints was the result of fewer consumers calling about billing and service related problems in 2002.

ENERGY INDUSTRY

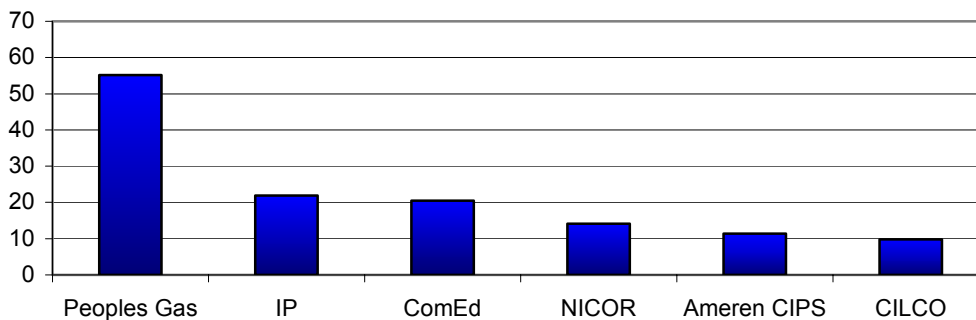
Inquiries and complaints included in the “Energy Industry” category are those concerning companies that provide only electric service, companies that provide only gas service, and companies that provide both gas and electric service.

Energy Industry Contacts



The graph above illustrates the number of inquiries and complaints there were received each year by CSD for the electric and gas companies from 1998 through 2002.

**Inquiries/Complaints per 10,000 Customers
2002**



The graph above illustrates the number of inquiries/complaints received per 10,000 customers for the major companies in the energy industry. Peoples Gas led in the number of calls related to billing, estimated meter readings, termination, and payment arrangements.

2002 ENERGY INQUIRIES/COMPLAINTS FOR SMALLER ELECTRIC AND GAS COMPANIES

Company	Customers*	Contacts
North Shore	156,000	127
Ameren UE	85,000	90
United Cities Gas	23,100	61
MidAmerican	85,600	57
Illinois Gas	10,400	7
Mt. Carmel	5,600	1
Interstate	27,600	11

*Estimated Number

The complaint and inquiry volume for electric and gas companies with less than 175,000 customers is shown in the chart above, beginning with the utility with the largest volume of contacts.

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following table compares the energy companies' justified complaints of 2001 to those in 2002. Only energy companies with more than 50 complaints are included in the table. The companies are listed in descending order, beginning with the company that has the largest percentage of justified complaints in 2002.

	2001 Complaints			2002 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
Santanna*	N/A	N/A	N/A	84	466	18%
ComEd	394	4,414	14%	499	5,218	9%
North Shore	12	109	11%	7	85	8%
Nicor Gas	190	1,754	11%	111	1,653	7%
Peoples Gas	290	3,160	9%	218	3,228	7%
Illinois Power	24	472	5%	52	791	6%
CILCO	9	194	5%	5	127	4%
AmerenCIPS	7	129	5%	6	237	2%
AmerenUE	1	50	2%	1	55	2%

*Less than 50 complaints in 2001

RESPONSE TIME

The following table shows a comparison of the average response time for energy companies during 2001 and 2002. Response time is the number of days the utility takes to respond to CSD. The companies shown are those that received 50 or more investigative complaints during 2002. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The companies are listed alphabetically.

	2001 Response Time (in Days)	2002 Response Time (in Days)	Change in Days (2001 to 2002)
AmerenCIPS	16.5	10.9	-5.6
CILCO	12.0	9.5	-2.5
ComEd	9.3	9.0	-0.3
Illinois Power	11.7	16.8	5.1
Nicor Gas	22.9	19.8	-3.1
Peoples Gas	45.6	24.1	-21.5
Santanna*	N/A	35.6	N/A

*Less than 50 complaints in 2001

Staff's work with Peoples Gas led to lower response times in 2002. In 2003 Staff will continue to work with and monitor the companies' progress.

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The table below compares the general problems categories of the total number of inquiries/complaints that were opened during 2001 and 2002.

Comparison of Problems – 2001 and 2002

	2001	2002
Billing	9,732	9,450
Credit/Deposit	848	1,158
Other *	862	1,377
Rates	1,562	310
Service	1,690	2,894
Termination	2,288	3,040

*Includes pilot programs, restructuring, ICC regulations, etc.

TOP 10 ENERGY COMPLAINTS

At the time of closing, when details about the reason for contact are known, more detailed problem codes are added. The following table identifies the top ten energy complaints attributed to these specific codes.

REASON FOR CONTACT (detail problem codes)	NUMBER
Needs Payment Arrangements	3,019
Termination- Seeking Reconnection	2,293
Questions Responsibility for Account	1,596
Other Payment Arrangements	999
Other Billing Issues	969
Usage- Consumption	927
Reconnection or Disconnection	899
Meter Reading Estimated/Make-up Bill	746
Deferred Payment Arrangements	682
Credit/Deposits/Deposit Request	554

ENERGY INDUSTRY CONTACTS

The tables below illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized by the general headings of billing, service, rates, etc. They are then further broken down into the more specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2002.

BILLING	CONTACTS
Payment Arrangements	4,700
Responsibility for Account	1,591
Usage/Consumption	924
Meter	743
Payment- Other	459
Bill/Statement	344
Payment Posting Problem	265
Accuracy	185
Disputes Rate Class/Plan	135
Tampering	55
Repair/Service	35
Extension/Installation Dispute	14
SUBTOTAL	9,450

CREDIT/DEPOSIT	CONTACTS
Deposit Requirement	554
Service Denial	424
Deposit Amount/Conditions	119
Deposit Administration	61
SUBTOTAL	1,158

RATES	CONTACTS
Opinion- Rate in Effect	130
Rate Structure	90
Inquiry	84
Proposed Rate Change	6
SUBTOTAL	310

SERVICE	CONTACTS
Timeliness- General	910
Timeliness of Reconnection or Disconnection	897
Conduct of Personnel	566
Interruptions	152
Service Quality	127
Extension/Availability	114
Safety	93
Equipment Problems	35
SUBTOTAL	2,894

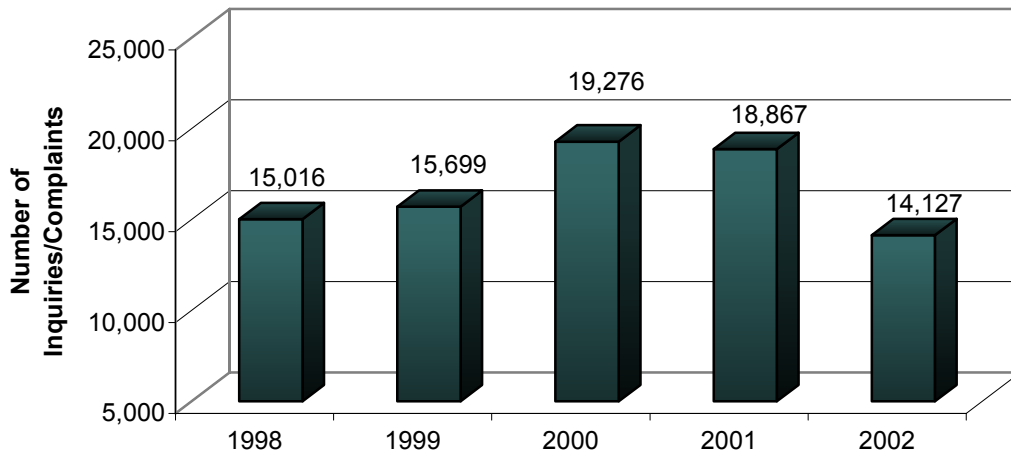
TERMINATION – SEEKING RECONNECTION	CONTACTS
Seeks Assistance	2,291
Medical Certificate	206
Questions Regarding Procedures	189
Other	122
Disputed Bill/Deposit	109
Terminated in Error	70
Tampering	53
SUBTOTAL	3,040

OTHER	CONTACTS
Other	407
ICC Actions or Regulations	714
No Jurisdiction	61
Issues- Oriented Contacts	195
SUBTOTAL	1,377

TOTAL NUMBER OF CLOSED ENERGY CONTACTS: 18,229

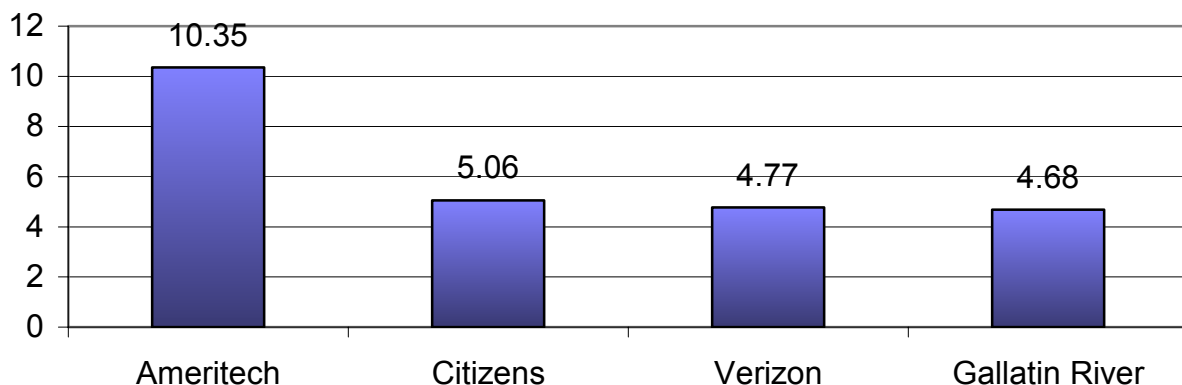
TELECOMMUNICATIONS INDUSTRY

Telecommunications Industry Contacts



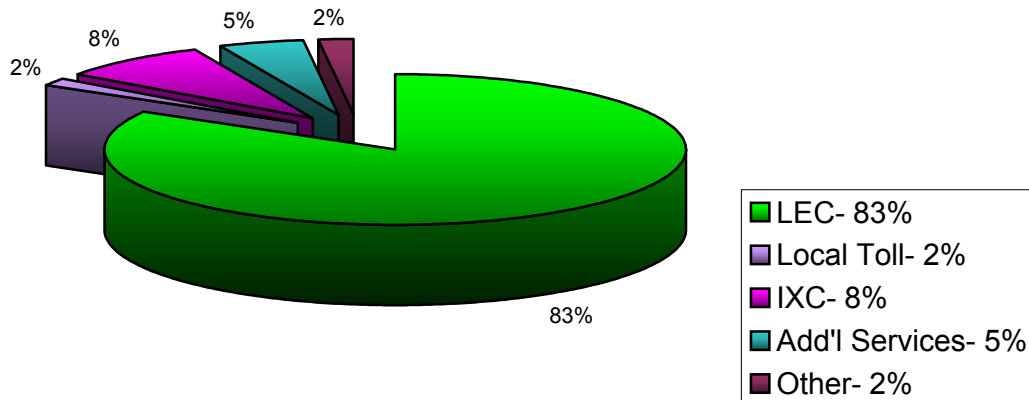
The graph above shows the number of inquiries and complaints concerning the telecommunications industry that were received each year by CSD from 1998 through 2002. In 2002 telecommunications complaints declined due to fewer calls from consumers with service and billing related issues.

**Inquiries/Complaints per 10,000 Access Lines
2002**



The above graph does not include combination carriers (resale and facilities based). This graph illustrates the number of inquiries and complaints per 10,000 access lines that were received for major local exchange carriers for 2002. Access lines include the number of residential and business phone lines used.

2002 Telecommunications Inquiries/Complaints by Company Type



Definitions for the above graph:

LEC – Local Exchange Carrier – a company that provides local exchange service

Local Toll – Local calls that are made to locations outside the local exchange boundary, but within the Market Service Area (MSA) otherwise known as the Local Access Transport Area (LATA)

IXC – **Inter-exchange Carrier** – a company that provides service between exchanges and between Market Service Areas (MSAs), also known as the Local Access Transport Areas (LATAs)

Provider of Additional Services – a company that provides services such as voice mail and calling cards

Other – Includes services such as Cellular/Mobile and Customer-owned Pay Telephones

JUSTIFIED COMPLAINTS

Counselors evaluate cases to determine if correct procedures were followed by the company in responding to the consumer's complaint prior to CSD intervention. A case is justified when, in the counselor's judgment, the company did not handle the dispute properly or effectively, or in handling the dispute, the company violated rules, regulations, orders, tariffs, or policy. The following tables compare the telecommunications carriers' justified complaints closed in 2001 to those closed in 2002. The charts are divided by the type of service provided: local exchange carriers, carriers that provide local toll service and those that provide inter-exchange service. The data indicates that the number of justified complaints taken in 2002 concerning local exchange services was higher than those taken in 2001.

The Local Exchange Carrier chart and the Inter-Exchange Carrier chart include those companies that received 50 or more investigative complaints during 2002. The chart for Local Toll Carriers includes companies that received 40 or more investigative complaints. Investigative complaints are those that are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed in descending order beginning with the company that had the largest percentage of justified complaints in 2002.

Local Exchange Carriers

	2001 Complaints			2002 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	201	824	24%	18	56	32%
McLeod	81	371	22%	137	428	32%
AT&T Broadband**	N/A	N/A	N/A	264	970	27%
21 st Century	118	570	21%	89	349	25%
Suretel*	N/A	N/A	N/A	24	97	25%
Z-Tel*	N/A	N/A	N/A	44	177	25%
MCI	209	1,079	19%	406	1,716	24%
Verizon	20	288	7%	42	200	21%
Ameritech	949	6,084	16%	627	3,988	16%
Frontier*	N/A	N/A	N/A	7	59	12%
Midwestern	70	1,045	7%	17	160	11%
Mpower	15	54	28%	5	59	8%

*Less than 50 complaints in 2001

**Data not available in 2001

Local Toll Carriers

	2001 Complaints			2002 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
MCI	3	41	7%	11	50	22%
AT&T	8	43	19%	7	57	12%
Ameritech	3	60	5%	4	46	9%

Inter-Exchange Carriers

	2001 Complaints			2002 Complaints		
	Justified	Total	Percent Justified	Justified	Total	Percent Justified
AT&T	88	667	13%	40	258	15%
MCI	44	361	12%	35	264	13%

RESPONSE TIME

The following tables compare the average response time for telecommunications carriers during 2002. Response time is the number of days the utility takes to respond to CSD. The Local Exchange Carrier table and the Inter-Exchange Carrier table include those companies that received 50 or more investigative complaints during 2002. The table for Local Toll Carriers includes companies that received 40 or more investigative complaints. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation. The carriers are listed alphabetically.

Local Exchange Carriers

	2001 Response Time (in Days)	2002 Response Time (in Days)	Change in Days (2001 to 2002)
21 st Century	17.3	12.3	-5
Ameritech	15.5	12.1	-3.4
AT&T	18.9	16.1	-2.8
AT&T Broadband**	N/A	18.6	N/A
Frontier*	N/A	14.1	N/A
MCI	36.2	31.7	-4.5
McLeod	25.6	26.5	0.9
SureTel	16.1	12.4	-3.7
Verizon	11.6	13.3	1.7
Z Tel	18.9	6.9	-12

*Less than 50 complaints in 2001

**Data not available in 2001

Complaint response time increased in 2002 for two companies: McLeod and Verizon.

Local Toll Carriers

	2001 Response Time (in Days)	2002 Response Time (in Days)	Change in Days (2001 to 2002)
AT&T	10.6	19.9	9.3
MCI	28.7	45.4	16.7

Staff has been working with MCI to significantly reduce the response time for complaints. Staff will monitor the company's progress.

Inter-Exchange Carriers

	2001 Response Time (in Days)	2002 Response Time (in Days)	Change in Days (2001 to 2002)
AT&T	18.7	17.3	-1.4
MCI	30.9	39.1	8.2

PROBLEM CODE COMPARISON

Complaints and inquiries are first categorized in one of six general problem types. At the time of closing, more specific codes are added. The following table compares the number of telecommunications inquiries/complaints in each of the general problem categories for the inquiries/complaints that were closed during 2001 and 2002. Billing continues to be the most frequently identified problem. During 2002, the number of inquiries/complaints concerning credit/deposit increased, but the number decreased in all other problem categories.

Comparison of Problems – 2001 and 2002

	2001	2002
Billing	7,707	5,913
Credit/Deposit	129	182
Other*	941	874
Rates	689	450
Service	6,756	4,969
Termination	880	865

*Includes operator services, universal service programs, area code changes, etc.

TOP 10 TELECOMMUNICATIONS COMPLAINTS

At the time of closing, when details about the reason for contact are known, more specific codes are added. The following table identifies the top ten telecommunications complaints attributed to these specific codes beginning with the most frequently recorded issue. Billing issues was the leading telecommunications complaint category in 2002. Some service and billing problems experienced by customers can be attributed to the transition to a competitive telecommunications market. Industry improvements are needed to ensure consumers the ability of seamless switching between local exchange carriers. Billing problems include charges for service/feature not ordered and bills issued by both (former and new) carriers following the change of a carrier.

REASON FOR CONTACT (detail problem codes)	NUMBER
Other Billing Issues	1,772
Questions Responsibility for Account	1,159
Dispute Rate Class or Plan	934
Reconnection or Disconnection	906
Installation of New Service	761
Usage- Consumption	649
Schedule for Repair	643
Termination- Seeking Reconnection	512
Needs Payment Arrangements	399
Poor Performance of Office Personnel	372

TELECOMMUNICATIONS INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized by the specific complaint classifications. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselors during 2002.

BILLING	CONTACTS
Responsibility for Account	1,112
Dispute- Rate Classification/Plan	947
Accuracy- General	703
Usage/Consumption	642
Payment Arrangements	603
Bill for Feature Not Ordered	381
Bill Statement	357
Payment- General	324
Repair/Service	309
Disputed Bill by Other Company	276
Posting Problems	255
Extension/Installation Dispute	4
SUBTOTAL	5,913

CREDIT/DEPOSIT	CONTACTS
Deposit Amount/Conditions	115
Service Denial	52
Deposit Administration	15
SUBTOTAL	182

RATES	CONTACTS
Rate Structure	202
Rate Inquiry	136
Opinion- Rate in Effect	96
Proposed Rate Change	16
SUBTOTAL	450

SERVICE	CONTACTS
Timeliness of Performed Work	2,677
Unauthorized Change of Service (slamming)	485
Quality	402
Poor Performance by Utility Personnel	402
Availability of Features & Equipment	312
Service Interruptions	272
Conduct of Billing Agents/Outside Contractors	250
Equipment Problems	131
Service Extensions	27
Safety	11
SUBTOTAL	4,969

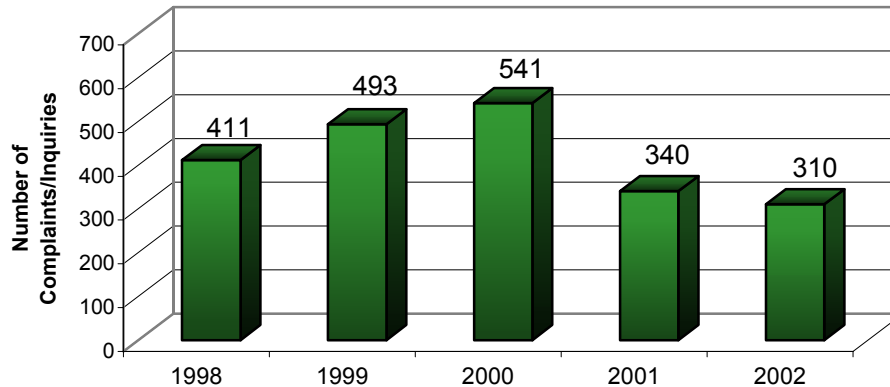
TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	606
Questions Regarding Procedures	123
Disputes	79
Medical Certificate	57
SUBTOTAL	865

OTHER	CONTACTS
Issues- Oriented Contacts	628
No Jurisdiction	246
SUBTOTAL	874

TOTAL NUMBER OF CLOSED TELECOMMUNICATIONS CONTACTS:
13,253

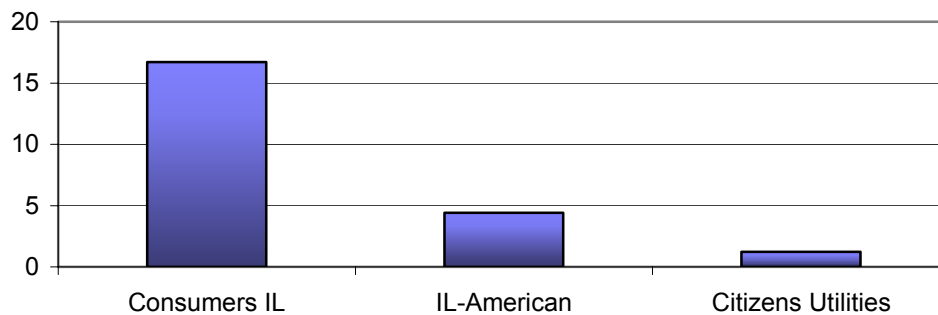
WATER & SEWER INDUSTRY

Water-Sewer Industry Contacts



The chart above illustrates the number of inquiries/complaints that were received each year by CSD for the water/sewer industry from 1998 through 2002.

**Inquiries/Complaints per 10,000 Customers
2002**



The chart above shows the number of inquiries and complaints per 10,000 customers that were received for the major companies in the water/sewer industry for 2002.

RESPONSE TIME

The table below shows a comparison of the average response time for those water and sewer utilities that received 20 or more investigative complaints during 2002. Response time is the number of days the utility takes to respond to CSD. Investigative complaints are those, which are not suited to or are not resolved through 3-way calling and are presented to the utility for investigation.

	2001 Response Time (in Days)	2002 Response Time (in Days)	Change in Days (2001 to 2002)
Consumers Illinois	10.9	33.6	22.7
Illinois-American	14.9	18.6	3.7

WATER & SEWER INDUSTRY CONTACTS

The following tables illustrate the breakdown of the issues raised by customers. As the counselors close complaints, they are categorized into specific complaint classification. The number of contacts used in these tables includes all inquiries and complaints that were closed by the counselor during 2002.

BILLING	CONTACTS
Usage/Consumption	34
Payment Arrangements	27
Accuracy	23
Responsibility for Account	18
Payment/Billing General	9
Bill Statement	5
SUBTOTAL	116

CREDIT/DEPOSIT	CONTACTS
Service Denial	3
Deposit Administration	1
SUBTOTAL	4

RATES	CONTACTS
Opinion- Rate in Effect	23
Proposed Rate Change	14
Rate Inquiries	12
Rate Structure	5
SUBTOTAL	54

SERVICE	CONTACTS
Timeliness of Performed Service	15
Service Quality	11
Conduct of Personnel	10
Service Extension/Availability	3
Equipment Problems/Safety/Interruption	2
SUBTOTAL	41

TERMINATION/SEEKING RECONNECTION	CONTACTS
Seeks Assistance	11
Questions Regarding Procedures	11
Miscellaneous	7
Medical Certificate	1
SUBTOTAL	30

OTHER	CONTACTS
No Jurisdiction	23
Other	10
ICC Actions or Regulations	5
Issues- Oriented Contacts	1
SUBTOTAL	39

TOTAL NUMBER OF CLOSED WATER AND SEWER CONTACTS: 284

ACTIVITIES AND PROGRAMS

Consumer Outreach & Education

Consumer Services role in consumer outreach and education expands as the utility industry changes. CSD is available to conduct meetings associated with rate increase requests of small water companies when community interest is expressed. The Staff is also available to witness meter tests performed by utilities and to make presentations on various consumer and regulatory matters to consumer groups. To keep abreast of consumer issues and concerns, CSD Staff is represented on the Chicago Energy Council; the Department of Commerce and Economic Opportunity's Policy Advisory Council; and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Consumer Affairs.

Reorganization and Mergers

Where Commission approval for reorganization and mergers is required, Consumer Services staff members participate both informally and when necessary through the formal process. Participation by CSD staff helps ensure that quality customer service is maintained and that communications to customers are stated in plain language and style to minimize customer confusion especially with respect to any changes or decisions customers might be required to make.

Review and Monitoring of Sales and Marketing and Customer notification

Statements concerning prices, terms, and conditions of service must disclose information accurately and adequately. A supplier must provide written information adequately disclosing prices, terms, and conditions before switching a customer. Formally, at the Commission's direction and informally CSD staff reviews sales and marketing materials and when appropriate makes recommendations to correct deficiencies and improve material. Staff has been directed by the Commission to review sales and marketing materials in telecommunications and alternative gas supplier cases and in complaint cases filed by telecommunications carriers.

In addition to reviewing materials, CSD staff reviews sales practices such as the unauthorized change of carrier or supplier (slamming).

Electric Reliability Survey

The Electric Service Customer Choice and Rate Relief Law of 1997 (P.A. 90-561) requires each electric utility or alternative retail electric supplier owning, controlling, or operating transmission and distribution facilities and equipment to conduct a customer survey annually. This survey, conducted by phone, asks a randomly selected group of customers to rate the company on reliability, tree trimming, service quality and pricing among other topics of interest. Complete survey results are provided in each company's annual report and can be found on the Commission's web site. CSD Staff reviewed

survey results and developed a chart of responses to key questions of interest to consumers; the chart can be found on the ICC web site.

Rulemakings

CSD staff led and/or participated in the rulemaking cases listed below.

14 Ill. Admin. Code Part 300 Restricted Call Registry

83 Illinois Administrative Code

- Part 280 (Revision) Credit and collection procedures for electric, water, sewer utilities
- Part 551 Certification of alternative gas suppliers
- Part 730 (Revision) Standards of service for telecommunications carriers
- Part 731 Wholesale performance measures (telecommunications)
- Part 732 Basic local exchange service quality and customer credits
- Part 733 Provision of advanced telecommunications services by ILECs
- Part 734 Mediation practice (consumer/telecommunications carriers)
- Part 755 Telecommunications access for persons with disabilities
- Part 756 Telecommunications relay services
- Part 757 Telephone assistance programs
- Part 773 Pre-subscription of telecommunication carrier
- Part 758 Implementation of voluntary funding for the Program to Eliminate the Digital Divide

CONSUMER EDUCATION

Consumer Education – Electric Restructuring

In designing the law that restructures the electricity industry in Illinois, lawmakers recognized that consumers would need meaningful information allowing them to evaluate goods and services offered by new marketers and sellers. The law required the Commission to implement and maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options in a competitive electric services market, as well as their rights and responsibilities. As required by Section 16-117 of the Public Utilities Act, a working group formed by the Commission created educational materials to be distributed to electric customers.

In Illinois, electric choice has been implemented in phases. As of December 31, 2000, all non-residential customers became eligible; residential customers became eligible beginning May 1, 2002. Utilities and Alternative Retail Electric Suppliers (ARES) are required to send the Commission-approved bill insert in their first mailing to potential customers or prior to executing an agreement or contract with a customer. The Commission also approved an implementation plan to conduct targeted media relations activities together with grassroots outreach focused on residential and small commercial electric customers. During 2002, the “Plug-In-Illinois” campaign continued to provide

information about electric restructuring in Illinois. Educational information on the residential customer choice program was provided through the Commission's web site and through the distribution of bill inserts and brochures to more than 5.25 million residential customers, as well as advertising in association newsletters, magazines, business organizations and videos. The Consumer Education Program continued to target non-residential customers who were eligible for choice.

The Commission maintains a consumer education web site at: www.icc.state.il.us/pluginillinois that has sections for business and residential consumers containing an overview of the electric service restructuring and customer choices including brochure content in text form as well as the brochures and bill inserts in downloadable formats, a list of suppliers (both certified and pending), frequently asked questions, and other information. The residential web page is available in English and in Spanish. This year the Plug In Illinois web site recorded more than 4,300 "visitors".

Distribution of materials during the year 2002 included approximately 2,700 business brochures, 69,000 business bill inserts, 121,000 residential brochures (English), 4,800 residential brochures (Spanish), 5.25 million residential bill inserts. Distribution channels included the ICC web site, ICC toll-free number, utilities, ARES, and other organizations.

Consumer Education Fund - Telecommunications

Led by Consumer Services the Illinois Telephone Consumer Education Fund (ITCEF) Committee, established by the Illinois Commerce Commission as a condition of the SBC/Ameritech merger, completed its multi media educational campaign. A not-for-profit corporation, the Committee's mission was to educate Illinois consumers to help them understand their options, rights and responsibilities in the telecommunications market. Using \$3 million in funds provided by Ameritech and the assistance of a vendor, the Committee produced brochures offering information on a variety of topics, provided a web site, and conducted a multi media educational campaign that ran through the spring of 2002.

CONSUMER ASSISTANCE PROGRAMS

Teletypewriter Distribution And Telecommunications Relay Service

Through a program designed by the Commission local exchange carriers (LECs) provide a Teletypewriter (TTY) to persons with hearing and speech disabilities, or organizations whose primary purpose is serving persons with hearing and/or speech disabilities. The local exchange carriers also provide a telecommunications relay service (TRS), which links people who use a TTY and people who use a standard telephone. A Commission approved surcharge is assessed on each subscriber line to offset the costs incurred by the local exchange carriers.

The TTY distribution program and relay center are administered by the Illinois Telecommunications Access Corporation (ITAC), a not-for-profit corporation which includes all the LECs in Illinois. An Advisory Council comprised of 7 members who are users of the TTY and TRS provide input to ITAC as well as to the Commission Staff Liaison.

Universal Telephone Assistance Program (UTSAP)

Lifeline and Link Up Programs

The FCC requires states to implement Link Up and Lifeline Programs to ensure the delivery of affordable telecommunications service to all Americans, including low-income consumers.

Link Up is a federally funded program that assists households by paying 50% (up to \$30) of the cost of installing local telephone service in their principal place of residence. Lifeline is a federally funded program that provides assistance with the monthly charge for local telephone service.

The Universal Telephone Service Assistance Program (“UTSAP”), funded by voluntary contributions from Illinois telephone consumers, provides supplemental assistance to individuals who receive assistance from the Link Up and Lifeline Programs. The amount of supplemental assistance is reviewed on an annual basis by the Commission according to the level of voluntary contributions.

UTSAP is administered by a not-for-profit group, Universal Telephone Assistance Corporation (UTAC). The UTAC Board of Directors has nine members consisting of five representatives from local exchange companies, two members representing ratepayers, and two members representing low-income consumers.

The following table shows the number of recipients and voluntary contributions to the program since 1998.

DATE	LINK-UP RECIPIENTS	LIFELINE RECIPIENTS	CONTRIBUTIONS
1998	12,050	55,500	\$922,250
1999	12,200	53,300	\$911,500
2000	13,000	54,000	\$1,000,175
2001	27,453	62,798	\$1,184,130
2002	35,200	280,100	\$928,011

Illinois Community Technology Fund - Telecommunications

A member of CSD Staff has been an active representative and Secretary of a not-for-profit corporation that administers the Illinois Community Technology Fund (ICTF). The Illinois Commerce Commission established the Community Technology Fund as a condition of the 1999 merger of SBC and Ameritech Illinois to ensure that citizens in rural and low-income areas of the state have access to advanced telecommunications

technology. SBC/Ameritech is required to provide funding in the amount of \$1million each year for three years. The ICTF issued its 2nd round grants to approximately 36 not-for-profit organizations and the Community Computer Center (CCC) grant was also issued to one recipient in 2002.

Low Income Home Energy Assistance Program (LIHEAP)

Financial assistance is available to low income households in Illinois for energy bills. A household is eligible if its income is at or below 150% of the federal poverty guideline. The Illinois Department of Commerce and Economic Opportunity administers the program through thirty-five agencies that operate in all Illinois counties. Funding for the program comes from two sources. One source is a federal government block grant through the Department of Health and Human Services. Beginning in January 1998, state funding has been made available as a result of a surcharge, which is added to the electric, and gas bills of all customers of investor owned utilities. Electric cooperatives, municipally owned gas, and electric systems have a choice of whether to assess the surcharge. If the charge is not assessed, the customers do not benefit from the assistance. The amounts, which are collected, are added to the federal LIHEAP funds. A portion of LIHEAP funds is also used for weatherization and program administration.

PUBLICATIONS AVAILABLE

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. Following is a listing of those, which may be of interest to both utility consumers and individuals needing information on the Commission. Printed copies may be requested by calling Consumer Services toll free number 1 800-524-0795. This and other information is available through the Commission's web site at : www.icc.state.il.us.

Facts About Consumer Complaints: outlines the two basic levels of complaints, informal and formal, which the Illinois Commerce Commission handles.

Your Quick Reference Guide to Preparing for a Formal Complaint Hearing: is a consumer's "how-to" guide for preparing for a formal complaint hearing with topics such as: setting the hearing date, obtaining witnesses, supplying the necessary documentation, following the hearing procedures, accepting or appealing the Commission's decision, and filing for a rehearing.

ENERGY and WATER/SEWER

InfoCards: (informational postcards) offer consumers practical information pertaining to rules for electric, gas, water/sewer utilities in an easy-to-read, single sheet format. There are seven unique Info Cards that address consumers' rights and responsibilities with regard to: 1. Utility Bills; 2. Payment Plans for Utility Service; 3. Disconnecting Utility Service; 4. Reconnecting Utility Service; 5. Deposits for Utility Service; and 6.

Resolving Your Utility Problems. The post card format allows counselors to expeditiously send useful information to consumers.

Understanding Natural Gas Prices: Provides an explanation of why prices fluctuate, what charges are regulated, and some energy saving tips.

ELECTRIC RESTRUCTURING

Our consumer guides available in business and residential versions contain information about electric service restructuring in Illinois. The brochures explain what is changing, what consumers will be choosing, when options are available, and a glossary of key terms. The business version is entitled It's Time to Get Plugged. The residential brochure "A Residential Consumer's Guide To Electric Service Restructuring" is available in English and Spanish. Both can be downloaded from our web site.

TELECOMMUNICATIONS

Local Telephone Service Your Rights and Responsibilities as a Consumer: provides an overview of consumer rights and responsibilities related to local exchange service.

Smart Shoppers Guide to Using Phones Away from Home: is a postcard that provides the maximum rates per minute for intrastate calls and the maximum surcharges for making operator-assisted calls. In addition, it explains what consumers can do if they have been overcharged. This is updated annually based on the approved rates.

What You Should Know About Using "900" Numbers: highlights 83 Illinois Administrative Code Part 772 by providing information on pay-per-call services. Included is information about the preamble that information providers must provide and customer rights regarding charges.

HOW TO REACH CSD

Our Staff of Consumer Counselors is available to assist consumers with questions or complaints regarding utility service from 8:30 a.m. to 5:00 p.m., Monday through Friday.

- Toll Free Hotline number is: 1-800-524-0795 (calls initiated within Illinois)
- Toll Free TTY number is: 1-800-858-9277 (calls initiated within Illinois)
- Our facsimile line is: 217-524-6859
- Our mailing address is: 527 East Capitol Avenue, Springfield, Illinois 62701
- An Online Complaint Form is available at: www.icc.state.il.us

- Consumers initiating calls from outside of Illinois, utilities and others with an interest in Illinois regulations may contact the ICC's Consumer Services Division at: 217-782-2024.